GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:172
ANSWERED ON:16.11.2007
SETTING UP OF SMALL POWER PROJECTS
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of POWER be pleased to state:

(a) whether the Government have any proposal to provide more tax sops to small power projects in the country;

(b) if so, the details thereof;

(c) whether the Government have taken any steps to encourage private sector participation in the power generation in the country; and

(d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) & (b) : Presently, there is no proposal to provide more tax sops to small power projects in the country.

(c) to (d) : In the recent past the Government of India have taken a number of initiatives which are expected to encourage power generation in the country through investments in public as well as private sector. Some of the major initiatives taken are:

(i) De-licensing of thermal generation and captive generation;

(ii) Structural reforms for State Electricity Boards;

(iii) Formation of Central and State Regulatory Commissions;

(iv) Formation of National Grid;

(v) Open access in Transmission and Distribution;

(vi) Power trading recognized as a distinct activity; and

(vii) Accelerated Power Development and Reforms Programme.

Besides to encourage investment in renewable power projects, fiscal and financial incentives are also being provided by the Ministry of New and Renewable Energy which, inter-alia, include capital subsidy, interest subsidy, accelerated depreciation, excise duty exemption and concessional import duties, apart from preferential tariff for grid power being given in most of the potential States.